



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

December 10, 2003

The Honorable Shirley Johnson, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48901

The Honorable Marc Shulman, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48901

Dear Legislators:

Attached is a recommended fiscal year 2004 supplemental to support and augment the Executive Order 2003-23 reductions transmitted under separate cover. This supplemental includes the agreed-upon reductions for the Judiciary and the Legislature, which cannot be reduced by Executive Order.

This request includes restricted fund appropriations for the departments of Agriculture, Community Health, Consumer and Industry Services, Corrections, Education, Environmental Quality, Military and Veterans Affairs, Natural Resources, and State Police. This request also includes supplemental appropriations for Capital Outlay, and the Family Independence Agency. These supplemental appropriations are needed to maintain expenditures previously supported with general fund revenues and are a necessary component of our efforts to balance the fiscal year 2004 budget.

Included is a language section which allows transfer of monies to the general fund from the Michigan Merit Award Trust Fund and from the Tobacco Settlement Trust Fund. Language also appropriates \$45.5 million of the \$77 million revenues generated from a six-month pause in the personal income tax rate reduction to the School Aid Fund to reduce the school aid pro-ration.

Also included are supplemental appropriations for the Department of Community Health to fund agreed-upon Medicaid base shortfalls for fiscal year 2004. In addition, appropriations are recommended for community colleges and

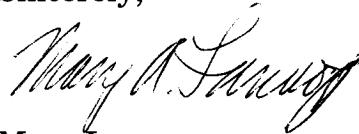
universities that exercise tuition restraint for the 2003-2004 and 2004-2005 academic years.

Appropriations are also recommended to restore Executive Order revenue sharing reductions for local units of government having an appointed financial manager now and through the balance of the 2004 fiscal year.

Lastly, supplemental appropriations are recommended for the Department of Treasury to implement the enhanced tax audit and recovery provisions that are a critical component of our overall strategy to balance the fiscal year 2004 budget.

Details regarding the supplemental appropriations are attached. Please refer any questions regarding these items to Nancy W. Duncan at 373-0870.

Sincerely,



Mary Lannoye
State Budget Director

Attachment

cc: Ken Sikkema, Senate Majority Leader
Rick Johnson, Speaker of the House
Bob Emerson, Senate Minority Leader
Diane Byrum, House Minority Leader
Senate Appropriations Clerk
House Appropriations Clerk
Senate Fiscal Agency
House Fiscal Agency

Departments
Rick Wiener, Executive Office
Tim Hughes, Executive Office
Nancy W. Duncan, Deputy State
Budget Director
Michael J. Moody, Financial
Management
Internal State Budget Office
Distribution

GENERAL PROVISIONS

BOILERPLATE LANGUAGE:

Sec. XXX. For the fiscal year ending September 30, 2004, there is appropriated from the Michigan merit award trust fund to the general fund the amount of \$63,000,000.00 and from the tobacco settlement trust fund to the general fund the amount of \$1,000,000.00.

EXPLANATION:

Provides for transfer of Michigan Merit Award Trust Fund and Tobacco Settlement Trust Fund revenue to the general fund corresponding to the reduction in spending for the Michigan Merit Award and the Council of Michigan Foundations program made in Executive Order 2003-23.

GENERAL PROVISIONS

BOILERPLATE LANGUAGE:

Sec. XXX. For the fiscal year ending September 30, 2004, there is appropriated from the general fund to the state school aid fund established by section 11 of article IX of the state constitution of 1963 the amount of \$45,500,000.00.

EXPLANATION:

Appropriates \$45.5 million of the \$77 million revenues generated from a six-month pause in the personal income tax rate reduction for calendar year 2004 to the School Aid Fund in order to reduce the required school aid budget pro-ration.

DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	198,000
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	198,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		198,000
State general fund/general purpose	\$	0

(2) ENVIRONMENTAL STEWARDSHIP

Farmland and open space preservation	\$	<u>170,000</u>
GROSS APPROPRIATION	\$	170,000
Appropriated from:		
Special revenue funds:		
Agricultural preservation fund		170,000
State general fund/general purpose	\$	0

(3) MARKET DEVELOPMENT

Agriculture development, marketing and emergency		
management	\$	<u>28,000</u>
GROSS APPROPRIATION	\$	28,000
Appropriated from:		
Special revenue funds:		

1	Licensing and inspection fees.....	28,000
2	State general fund/general purpose.....	\$ 0

3 **EXPLANATION:**

4 Environmental Stewardship: Provides additional restricted fund revenue for
5 support of program administration and to replace general fund/general
6 purpose revenue removed via Executive Order 2003-23.

7 Market Development: Provides available grain dealer's license fee revenue
8 for use in lieu of general fund/general purpose support and in conjunction
9 with Executive Order 2003-23.

10

CAPITAL OUTLAY

(1) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS

Department of management and budget - capitol complex
renovations, authorized for design and construction
(total authorized cost \$27,563,300; state building
authority share \$27,563,200; state general fund/general
purpose share \$100) \$ 100
GROSS APPROPRIATION \$ 100

Appropriated from:

Special revenue funds:

State general fund/general purpose \$ 100

EXPLANATION:

Advances several future programmed Lansing capitol complex renovation projects included in the Department of Management and Budget's five-year Capital Outlay Plan, and generates one-time general fund/general purpose savings of \$12.2 million in FY 2004 by converting several prior year special maintenance projects to State Building Authority (SBA) financing. Total project cost is \$27.6 million supported via SBA long-term obligations. General fund/general purpose savings are included as part of Executive Order 2003-23.

Future projects included in this proposal that are advanced from the Department of Management and Budget's Five-Year Capital Outlay Plan include \$9.3 million for reconstruction and structural repairs of the Ottawa Parking Ramp and Plaza, and \$6 million for elevator upgrades and exterior tuckpointing and waterproofing for multiple facilities in the Lansing capitol complex. Along with the general fund/general purpose savings,

1 financing of these projects in the current year will also avoid cost
2 escalation and allow the State of Michigan to take advantage of a highly
3 competitive bidding environment.

4

CAPITAL OUTLAY

(2) STATE BUILDING AUTHORITY RENT

State building authority rent - state agencies	\$	<u>12,000,000</u>
GROSS APPROPRIATION	\$	12,000,000

Appropriated from:

Special revenue funds:

CMRS emergency telephone fund.....	12,000,000
State general fund/general purpose.....	\$ 0

EXPLANATION:

Executive Order 2003-23 reduces State Building Authority rent for state agencies by \$12,000,000 general fund/general purpose to reflect proposed changes to the Emergency Telephone Service Enabling Act. The proposed legislation would extend the per month service charge currently levied on wireless subscribers and direct a portion (\$.25) to partially support State Building Authority rent and system maintenance for the Michigan Public Safety Communications System (MPSCS) beginning January 1, 2004. Michigan was the first state in the nation to have a statewide communications system in operation providing radio interoperability support to federal, state, and local first responders. Use of a portion of the CMRS service fee to partially support MPSCS long-term rental obligations and system maintenance is consistent with the goal of providing a seamless network of statewide emergency response capabilities. The State Building Authority has issued long-term debt as the financing means for Phases I-IV(a) of the MPSCS project. Bonds issued to date total \$169.5 million, with annual rental obligations of \$21.6 million annually.

1 COMMUNITY COLLEGES

2 BOILERPLATE LANGUAGE

3 Sec. XXX (1) A community college certifying to the state budget
4 director by June 30, 2004, that it did not adopt an increase in tuition and
5 fee rates after December 1, 2003, for the 2003-2004 academic year and that
6 it will not adopt tuition and fee rate increases for the 2004-2005 academic
7 year that exceed the projected fiscal year 2005 increase in the Detroit
8 consumer price index as determined at the January 2004 consensus revenue
9 estimating conference, shall be paid in the fiscal year ending September
10 30, 2004, from state general fund/general purpose revenues an additional
11 state aid allocation as follows:

12	Alpena Community College	\$	147,900
13	Bay de Noc Community College		143,000
14	Delta College		400,000
15	Glen Oaks Community College		67,100
16	Gogebic Community College		122,400
17	Grand Rapids Community College		503,100
18	Henry Ford Community College		613,100
19	Jackson Community College		339,400
20	Kalamazoo Valley Community College		346,300
21	Kellogg Community College		272,100
22	Kirtland Community College		82,600
23	Lake Michigan College		146,400
24	Lansing Community College		870,000
25	Macomb Community College		928,200
26	Mid Michigan Community College		123,800
27	Monroe County Community College		120,500

1	Montcalm Community College	87,100
2	C.S. Mott Community College.....	439,900
3	Muskegon Community College	250,300
4	North Central Michigan College.....	84,800
5	Northwestern Michigan College.....	255,400
6	Oakland Community College	585,600
7	St. Clair County Community College.....	196,100
8	Schoolcraft College	343,700
9	Southwestern Michigan College.....	184,500
10	Washtenaw Community College.....	349,300
11	Wayne County Community College.....	451,500
12	West Shore Community College.....	64,300

13 (2) The state budget director shall implement a reporting
14 requirement to ensure that a community college receiving an allocation
15 under this section has satisfied its tuition restraint requirements.

16 **EXPLANATION:**

17 This section provides for the restoration of an amount equal to 3 percent
18 of the original fiscal year 2004 operations appropriation for a community
19 college that exercises tuition restraint for the remainder of academic year
20 2003-2004 and for academic year 2004-2005.

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DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	414,500
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	414,500
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		414,500
State general fund/general purpose	\$	0

(2) CRIME VICTIM SERVICES COMMISSION

Grants administration services	\$	<u>414,500</u>
GROSS APPROPRIATION	\$	414,500
Appropriated from:		
Special revenue funds:		
Total other state restricted revenues		414,500
State general fund/general purpose	\$	0

EXPLANATION:

This supplemental appropriates available state restricted Victims Services funds to replace \$414,500 general fund/general purpose administrative savings removed by Executive Order 2003-23.

DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	242,954,300
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	242,954,300
Federal revenues:		
Total federal revenues		142,954,300
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	100,000,000

(2) MEDICAL SERVICES

Hospital services and therapy	\$	20,000,000
Pharmaceutical services		82,654,300
Home health services		4,300,000
Ambulance services		6,000,000
Long-term care services		50,000,000
Health plan services		<u>80,000,000</u>
GROSS APPROPRIATION	\$	242,954,300
Appropriated from:		
Federal revenues:		
Total federal revenues		142,954,300
Special revenue funds:		
State general fund/general purpose	\$	100,000,000

1 **EXPLANATION:**

2 Consistent with Executive Order negotiations, this supplemental
3 appropriates additional federal Medicaid funds and state general
4 fund/general purpose revenues to finance increased Medicaid expenditures
5 related to growth in caseload and utilization. In addition, this
6 supplemental partially restores savings that were assumed in the fiscal
7 year 2004 appropriation bill related to the Adult Benefits Waiver, which
8 has not yet been approved by the federal Center for Medicare and Medicaid
9 Services.

10

1	DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES		
2	(1) APPROPRIATION SUMMARY:		
3	GROSS APPROPRIATION	\$	0
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and		
6	intradepartmental transfers	\$	0
7	ADJUSTED GROSS APPROPRIATION	\$	0
8	Federal revenues:		
9	Total federal revenues		0
10	Special revenue funds:		
11	Total local revenues		0
12	Total private revenues		0
13	Total other state restricted revenues		0
14	State general fund/general purpose	\$	0
15	(2) TAX TRIBUNAL		
16	Operations	\$	<u>350,000</u>
17	GROSS APPROPRIATION	\$	350,000
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues		0
21	Special revenue funds:		
22	Securities fees		350,000
23	State general fund/general purpose	\$	0
24	(3) SAFETY AND REGULATION		
25	Occupational safety and health	\$	<u>(350,000)</u>
26	GROSS APPROPRIATION	\$	(350,000)
27	Appropriated from:		

1	Securities fees	(350,000)
2	State general fund/general purpose.....	\$ 0

3 **EXPLANATION:**

4 Anticipated revenues in the Safety and Education Training (SET) fund within
5 the Michigan Occupational Safety and Health Agency (MIOSHA) have exceeded
6 the previous estimates, freeing up securities fees previously appropriated
7 for this purpose. The department will use these available securities fees
8 to replace general fund/general purpose revenues in the Tax Tribunal. A
9 total of (\$350,000) in general fund/general purpose revenues are eliminated
10 in Executive Order 2003-23.

11

DEPARTMENT OF CORRECTIONS

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	(12,689,905)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		
transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	(12,689,905)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		198,300
State general fund/general purpose	\$	(12,888,205)

(2) NORTHERN REGION CORRECTIONAL FACILITIES

Alger maximum correctional facility - Munising	\$	1,900
Baraga maximum correctional facility - Baraga		8,000
Kinross correctional facility - Kinross		13,300
Newberry correctional facility - Newberry		200
Oaks correctional facility - Eastlake		13,200
Ojibway correctional facility - Marenisco		2,700
Pugsley correctional facility - Kingsley		9,900
Standish maximum correctional facility - Standish		<u>5,400</u>
GROSS APPROPRIATION	\$	54,600
Appropriated from:		
Special revenue funds:		
State restricted revenues and reimbursements		54,600

1	State general fund/general purpose.....	\$	0
2	(3) SOUTHEASTERN REGION CORRECTIONAL FACILITIES		
3	Cooper Street correctional facility - Jackson	\$	400
4	Gus Harrison correctional facility - Adrian		61,300
5	Thumb correctional facility - Lapeer.....		<u>24,500</u>
6	GROSS APPROPRIATION	\$	86,200
7	Appropriated from:		
8	Special revenue funds:		
9	State restricted revenues and reimbursements		86,200
10	State general fund/general purpose.....	\$	0
11	(4) SOUTHWESTERN REGION CORRECTIONAL FACILITIES		
12	Carson City correctional facility - Carson City	\$	50,600
13	Florence Crane correctional facility - Coldwater		5,600
14	Deerfield correctional facility - Ionia		<u>1,300</u>
15	GROSS APPROPRIATION	\$	57,500
16	Appropriated from:		
17	Special revenue funds:		
18	State restricted revenues and reimbursements		57,500
19	State general fund/general purpose.....	\$	0
20	(5) BUDGETARY SAVINGS		
21	Budgetary savings	\$	<u>(12,888,205)</u>
22	GROSS APPROPRIATION	\$	(12,888,205)
23	Appropriated from:		
24	Special revenue funds:		
25	State general fund/general purpose.....	\$	(12,888,205)
26	BOILERPLATE LANGUAGE:		
27	Sec. XXX. (1) The negative appropriation for budgetary savings in part		

1 shall be satisfied by savings realized from the hiring freeze imposed on state classified civil service for the fiscal year ending September 30, 2004, efficiencies, and other administrative savings identified by the director and approved by the state budget director.

(2) Appropriation authorization adjustments required to implement negative appropriations for budgetary savings shall be made only after the approval of transfers by the legislature under section 393 (2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXPLANATION:

The department will increase the rates charged to users of prisoner public works crews. A total of (\$198,300) in general fund/general purpose is to be eliminated in Executive Order 2003-23. This supplemental request will increase the state restricted deducts. Rates will increase from \$8 for 8 hours of prisoner work to \$10 for 8 hours of prisoner work. Public works rates are set administratively by the department.

A negative budgetary savings line item is established in this supplemental request. The negative general fund/general purpose amount to be met through the use of a hiring freeze on vacancies or other administrative savings will be satisfied through the legislative transfer process.

BOILERPLATE LANGUAGE:

Sec. XXX. Due to the consolidation of the department of corrections parole offices for the purposes of increasing agency efficiencies, the department shall not expend funds appropriated in Section 104 of 2003 P.A. 154, for rental payments or operational expenses for the leased premises located at 4240-4242 Cass Avenue, Detroit, Michigan.

1 **EXPLANATION:**

2 This language will allow the department to utilize an executive
3 cancellation clause in a private rent agreement in order to cancel a
4 current lease and move into consolidated facilities in the City of Detroit.

5

DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	332,800
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	332,800
Federal revenues:		
Total federal revenues		42,800
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		290,000
State general fund/general purpose	\$	0

(2) INFORMATION TECHNOLOGY SERVICES

Information technology operations	\$	<u>42,800</u>
GROSS APPROPRIATION	\$	42,800
Appropriated from:		
Federal revenues:		
Federal revenues		42,800
Special revenue funds:		
State general fund/general purpose	\$	0

(3) OFFICE OF SCHOOL EXCELLENCE

School excellence operations	\$	<u>221,000</u>
GROSS APPROPRIATION	\$	221,000
Appropriated from:		
Special revenue funds:		

1	Certification fees	221,000
2	State general fund/general purpose.....	\$ 0
3	(4) GOVERNMENT SERVICES	
4	Government services operations	\$ <u>49,900</u>
5	GROSS APPROPRIATION	\$ 49,900
6	Appropriated from:	
7	Special revenue funds:	
8	Certification fees	49,900
9	State general fund/general purpose.....	\$ 0
10	(5) SAFE SCHOOLS AND ADMINISTRATIVE LAW	
11	Safe schools operations	\$ <u>19,100</u>
12	GROSS APPROPRIATION	\$ 19,100
13	Appropriated from:	
14	Special revenue funds:	
15	Certification fees	19,100
16	State general fund/general purpose.....	\$ 0
17	EXPLANATION:	
18	Provides \$290,000 in available state restricted revenue funds, and \$42,800	
19	in Federal No Child Left Behind funds to replace general fund/general	
20	purpose reductions per Executive Order 2003-23.	
21		

DEPARTMENT OF ENVIROMENTAL QUALITY

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	3,135,525
Interdepartmental grant revenues:		
Total interdepartmental grants and.....		
intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	3,135,525
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues		3,135,525
State general fund/general purpose.....	\$	0

(2) DEPARTMENT SUPPORT SERVICES

Building occupancy charges	\$	1,907,125
Rent - privately owned property.....		<u>128,400</u>
GROSS APPROPRIATION	\$	2,035,525
Appropriated from:		
Special revenue funds:		
Air emissions fees		193,800
Oil and gas regulatory fund.....		162,200
Scrap tire regulatory fund.....		10,725
Sewage sludge land application fee.....		38,800
Stormwater permit fees.....		171,200
Water analysis fees		187,500
Groundwater discharge permit fees.....		50,000

1	NPDES fees	90,700
2	Cleanup and redevelopment fund.....	30,600
3	Waste reduction fee revenue.....	1,100,000
4	State general fund/general purpose.....	\$ 0
5	(3) INFORMATION TECHNOLOGY	
6	Information technology services and projects	<u>\$ 1,100,000</u>
7	GROSS APPROPRIATION	\$ 1,100,000
8	Appropriated from:	
9	Special revenue funds:	
10	Waste reduction fee revenue.....	1,100,000
11	State general fund/general purpose.....	\$ 0
12	Explanation:	
13	Provides \$3,135,525 in available restricted funds to replace general	
14	fund/general purpose reductions included in Executive Order 2003-23.	
15		

FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	14,600,000
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	14,600,000
Federal revenues:		
Total federal revenues		14,600,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0

(2) PUBLIC ASSISTANCE

Day care services	\$	<u>5,000,000</u>
GROSS APPROPRIATION	\$	5,000,000
Appropriated from:		
Federal revenues:		
Total federal revenues		5,000,000
Special revenue funds:		
State general fund/general purpose	\$	0

(3) INFORMATION TECHNOLOGY

Child support automation	\$	<u>9,600,000</u>
GROSS APPROPRIATION	\$	9,600,000
Appropriated from:		
Federal revenues:		

1 Total federal revenues..... 9,600,000
2 Special revenue funds:
3 State general fund/general purpose..... \$ 0

4 **EXPLANATION:**

5 1. The Executive Order includes a \$5.0 million Temporary Assistance for
6 Needy Families (TANF) federal grant reduction in the Department of Career
7 Development to be realized through a reduction in employment and training
8 services for Work First clients. The TANF funds freed up by the Work First
9 reduction will be used to offset general fund/general purpose costs in the
10 Day care services line item of the Family Independence Agency budget. The
11 Executive Order reduces the general fund/general purpose appropriation for
12 Day care services by \$11.0 million. This supplemental appropriation
13 restores a portion of the day care services cut with the available federal
14 TANF funds.

15 2. The Executive Order includes a \$11.6 million general fund/general
16 purpose reduction to the Child support automation line item. This
17 supplemental appropriation restores a portion of the gross appropriation
18 for Child support automation with \$9.6 million in available federal funds
19 related to a refund of penalties previously imposed due to the state's
20 failure to obtain federal certification of the Child Support Enforcement
21 System (CSES).

22

HIGHER EDUCATION

Sec. XXX. A state university certifying to the state budget director by June 30, 2004, that it did not adopt an increase in tuition and fee rates for resident undergraduate students after December 1, 2003 for the 2003-2004 academic year and that it will not adopt tuition and fee rate increases for resident undergraduate students for the 2004-2005 academic year that exceed the projected fiscal year 2005 increase in the Detroit consumer price index as determined at the January 2004 consensus revenue estimating conference, shall be paid in the fiscal year ending September 30, 2004, from state general fund/general purpose revenues an additional state aid allocation as follows:

Central Michigan University.....	\$	2,446,300
Eastern Michigan University.....		2,366,200
Ferris State University.....		1,499,000
Grand Valley State University.....		1,772,600
Lake Superior State University.....		385,300
Michigan State University.....		8,801,500
Michigan Technological University.....		1,491,500
Northern Michigan University.....		1,404,300
Oakland University.....		1,472,600
Saginaw Valley State University.....		800,200
University of Michigan - Ann Arbor.....		9,816,200
University of Michigan - Dearborn.....		755,800
University of Michigan - Flint.....		649,800
Wayne State University.....		6,848,400
Western Michigan University.....		3,393,300

(2) The state budget director shall implement a reporting

1 requirement to insure that a state university receiving an allocation under
2 this section has satisfied its tuition restraint requirements.

3 **EXPLANATION:**

4 This section provides for the restoration of an amount equal to 3 percent
5 of the original fiscal year 2004 operations appropriation for a state
6 university that exercises tuition restraint for the remainder of academic
7 year 2003-2004 and for academic year 2004-2005.

8

JUDICIARY

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	(500,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	(500,000)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		250,000
Total private revenues		0
Total other state restricted revenues		350,000
State general fund/general purpose	\$	(1,100,00)

(2) SUPREME COURT

District trial court automation support	\$	<u>250,000</u>
GROSS APPROPRIATION	\$	250,000
Appropriated from:		
Special revenue funds:		
Local-user fees		250,000
State general fund/general purpose	\$	0

(3) BRANCHWIDE APPROPRIATIONS

Branchwide appropriations	\$	<u>(250,000)</u>
GROSS APPROPRIATION	\$	(250,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	(250,000)

1 **(4) TRIAL COURT OPERATIONS**

2 Court equity fund reimbursements..... \$ 0

3 GROSS APPROPRIATION \$ 0

4 Appropriated from:

5 Special revenue funds:

6 Court equity fund..... 350,000

7 State general fund/general purpose..... \$ (350,000)

8 **(5) JUDICIARY REDUCTIONS**

9 Judiciary reductions \$ (500,000)

10 GROSS APPROPRIATION \$ (500,000)

11 Appropriated from:

12 Special revenue funds:

13 State general fund/general purpose..... \$ (500,000)

14 **BOILERPLATE:**

15 Sec. XXX. The authorized agent for the judiciary shall transfer the
16 savings necessary to achieve the reductions in part 1 of this bill to
17 appropriate line items pursuant to section 202(2) of 2002 PA 515.

18 **EXPLANATION:**

19 Supreme Court and Branchwide Appropriations: Move private rent charges
20 from branchwide appropriations to local-user fees.

21 Trial Court Operations: Fund shift to recognize in equal proportions
22 additional revenue from 2003 PA 138, the civil filing fee fund and 2003 PA
23 97, the justice system fund.

24 Judiciary Reductions: Various operating line reductions will be applied by
25 the Judiciary. These reductions will be primarily addressed through
26 personnel-related savings and operating efficiencies.

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GROSS APPROPRIATION	\$	(1,200,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	(1,200,000)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	(1,200,000)
(2) ADMINISTRATIVE SAVINGS		
Administrative reductions	<u>\$</u>	<u>(1,200,000)</u>
GROSS APPROPRIATION	\$	(1,200,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	(1,200,000)

Legislative leadership will decide how to implement this reduction.

DEPARMTENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	770,000
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	770,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		770,000
State general fund/general purpose	\$	0

(2) GRAND RAPIDS VETERANS' HOME

Grand Rapids veterans' home	\$	<u>570,000</u>
GROSS APPROPRIATION	\$	570,000
Appropriated from:		
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Income and assessments		570,000
State general fund/general purpose	\$	0

(3) D.J. JACOBETTI VETERANS' HOME

D.J. Jacobetti veterans' home	\$	<u>200,000</u>
GROSS APPROPRIATION	\$	200,000
Appropriated from:		

1	Income and assessments	200,000
2	State general fund/general purpose	\$ 0

3 **EXPLANATION:**

4 Grand Rapids Veterans' Home: Provides \$570,000 in available income and
5 assessment restricted revenue to be used in lieu of general funds for the
6 Grand Rapids Veterans' Home per Executive Order 2003-23.

7 D.J. Jacobetti Veterans' Home: Provides \$200,000 in available income and
8 assessment restricted revenue to be used in lieu of general funds for the
9 D.J. Jacobetti Veterans' Home per Executive Order 2003-23.

10

DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	25,000
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	25,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		25,000
State general fund/general purpose	\$	0

(2) EXECUTIVE

Education and outreach	\$	<u>25,000</u>
GROSS APPROPRIATION	\$	25,000
Appropriated from:		
Special revenue funds:		
Youth hunting and fishing education and outreach fund ..		25,000
State general fund/general purpose	\$	0

EXPLANATION:

Provides \$25,000 in available restricted funds to partially replace general fund/general purpose reductions included in Executive Order 2003-23.

DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION \$ 6,100,000

Interdepartmental grant revenues:

Total interdepartmental grants and

intradepartmental transfers \$ 0

ADJUSTED GROSS APPROPRIATION \$ 6,100,000

Federal revenues:

Total federal revenues 0

Special revenue funds:

Total local revenues 0

Total private revenues 0

Total other state restricted revenues 6,100,000

State general fund/general purpose \$ 0

(2) UNIFORM SERVICES

At-post troopers \$ 6,100,000

GROSS APPROPRIATION \$ 6,100,000

Appropriated from:

Federal revenues:

Total federal revenues 0

Special revenue funds:

Traffic law enforcement and safety fund 6,100,000

State general fund/general purpose \$ 0

1 **EXPLANATION:**

2 Appropriates \$6.1 million in driver's education fee revenue earmarked for
3 the Traffic Law Enforcement and Safety Fund to replace general fund/general
4 purpose appropriations reduced in Executive Order 2003-23.

5

DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY:

Full-time equated classified positions 83.0

GROSS APPROPRIATION \$ 8,100,000

Interdepartmental grant revenues:

Total interdepartmental grants and

intradepartmental transfers \$ 0

ADJUSTED GROSS APPROPRIATION \$ 8,100,000

Federal revenues:

Total federal revenues 0

Special revenue funds:

Total local revenues 0

Total private revenues 0

Total other state restricted revenues 6,100,000

State general fund/general purpose \$ 2,000,000

(2) LOCAL GOVERNMENT PROGRAMS

Local finance--4.0 FTE positions \$ 800,000

GROSS APPROPRIATION \$ 800,000

Appropriated from:

Special revenue funds:

State general fund/general purpose \$ 800,000

(3) TAX PROGRAMS

Tax compliance--49.0 FTE positions \$ 3,500,000

Tax processing 800,000

GROSS APPROPRIATION \$ 4,300,000

Appropriated from:

Special revenue funds:

1	Delinquent tax collection revenue.....	3,500,000
2	State general fund/general purpose.....	\$ 800,000
3	(3) BANKING AND MANAGEMENT SERVICES	
4	Collections--30.0 FTE positions.....	<u>\$ 2,050,000</u>
5	GROSS APPROPRIATION	\$ 2,050,000
6	Appropriated from:	
7	Special revenue funds:	
8	Delinquent tax collection revenue.....	2,050,000
9	State general fund/general purpose.....	\$ 0
10	(4) INFORMATION TECHNOLOGY	
11	Information technology services and projects	<u>\$ 950,000</u>
12	GROSS APPROPRIATION	\$ 950,000
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues	0
16	Special revenue funds:	
17	Delinquent tax collection revenue.....	550,000
18	State general fund/general purpose.....	\$ 400,000
19		

1 **EXPLANATION:**

2 This supplemental provides delinquent tax collection and general
3 fund/general purpose revenue to enhance revenue recovery initiatives in the
4 Department of Treasury. These include increased audit applications for
5 state and local accounts, as well as tax collection and processing service
6 improvements.

7

8 Audit applications involve a statewide review of cash-basis business
9 transactions. Appropriate audit management/system controls will also be
10 set in place for industrial facilities and tax increment financing
11 provisions consistent with Auditor General findings.

12

13 Tax collection services will involve additional field enforcement services,
14 IRS data sharing, levy process improvements and corporate officer
15 assessments. Tax processing services will improve timely reconciliation of
16 sales/use/withholding tax information.

17

DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	1,542,300
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	1,542,300
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	1,542,300

(2) GRANTS

Special grants to cities	\$	<u>1,542,300</u>
GROSS APPROPRIATION	\$	1,542,300
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	1,542,300

BOILERPLATE LANGUAGE:

Sec. XXX. The appropriation in section XXX for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order 2003-23 to a city that had an emergency financial manager appointed pursuant to 1990 PA 72 continuously from December 10, 2003 through September 30, 2004.

1 **EXPLANATION:**

2 The Department of Treasury is authorized to restore the 5 percent Revenue
3 Sharing reduction included in Executive Order 2003-23 for those cities
4 having an appointed financial manager as of the effective date of the
5 Executive Order through the remainder of the state fiscal year 2004.